

**INTERNATIONALIZATION PROCESS OF
LARGE- SIZED FIRMS: EVIDENCE FROM
MALAYSIA**

**By
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**Thesis Submitted to the College of Law,
Government and International Studies, Universiti
Utara Malaysia, in Fulfillment of the Requirement
for the Degree of Doctor of Philosophy**



Kolej Undang-Undang, Kerajaan dan Pengajian Antarabangsa
(College of Law, Government and International Studies)
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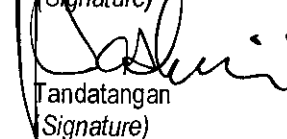
Nama Pelajar : JANNATUL FIRDAUS ISMAIL
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Tajuk Tesis : INTERNATIONALIZATION PROCESS OF LARGE-SIZED FIRMS :
(Title of the Thesis) EVIDENCE FROM MALAYSIA

Program Pengajian : Ph.D
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Abstract

International expansion is an initial strategy for firms particularly from emerging countries like Malaysia to be in the global market to deeply engage in a process known as internationalization. The internationalization process among firms from emerging countries depicts some variances from developed countries due to the internal and external differences between them. There were some patchy and qualitative evidences on internationalization of emerging firms but there remains insufficient in providing a conclusive model. This research attempts to fill up the gap by contributing some empirical evidences quantitatively which is exceptionally limited, on the internationalization process of firms from emerging countries. Generally, this study endeavors to examine the internationalization process of Malaysian firms into foreign markets by focusing on the firms' internationalization advantage, intensity and their effects on the entry mode and foreign market selection. Specifically, this study aims to determine the relationship between internationalization advantage and internationalization intensity; identify the effect of mediating and moderating forces between internationalization advantage and internationalization intensity; and finally propose an internationalization framework for Malaysian firms to formulate their international expansion strategy. Quantitative method was adopted through a survey by using questionnaires to firms that were sampled from the Malaysia Bourse (BM) directory, 100 companies participated in the study. Regression and Hierarchical Multivariate Regression Analyses (HMRA) were utilized to examine the hypotheses and hierarchical regression analyses were conducted in analyzing the moderating role of motivation and network as well as mediating role of barriers between internationalization advantage and internationalization intensity. The research found that there is a relationship between firms' internationalization advantage to go abroad and their internationalization intensity. The findings also suggest that motivation and network can intervene the firms' internationalization process while barriers can temperate the process. This study also indicates that barriers moderate the internationalization before and after the process had taken place. This study highlights the internationalization process of Malaysian firms which represent emerging countries which has been neglected by internationalization theories developed in industrialized economies.

Key Words

Internationalization Process, Internationalization Advantage, Internationalization Intensity, Motivation, Network, Barriers

Abstrak

Pengembangan antarabangsa adalah satu strategi awal bagi firma-firma terutamanya dari negara-negara membangun seperti Malaysia untuk berada di dalam pasaran global dan melibatkan diri secara serius dalam proses yang dikenali sebagai pengantarabangsaan. Proses pengantarabangsaan di kalangan firma-firma dari negara-negara baru menunjukkan terdapat beberapa perbezaan berbanding negara-negara maju yang lain disebabkan oleh faktor perbezaan dari dalaman dan luaran diantara mereka. Terdapat beberapa bukti kualitatif baru tetapi masih tidak mencukupi dalam penyediaan model muktamad. Kajian ini adalah untuk mengisi jurang dan memberikan bukti-bukti empirik kuantitatif yang sangat terhad terhadap proses pengantarabangsaan. Secara umumnya, kajian ini adalah untuk mengkaji proses pengantarabangsaan firma-firma terutamanya di Malaysia ke pasaran dunia dengan memberi tumpuan kepada kelebihan pengantarabangsaan dan keamatan pengantarabangsaan; mengenal pasti kesan pengantara dan kesan penyerdehanaan kuasa-kuasa di antara kelebihan pengantarabangsaan dan keamatan pengantarabangsaan, dan akhirnya memberi satu cadangan serta rangka kerja pengantarabangsaan bagi firma-firma di Malaysia untuk merangka satu strategi untuk memperkembangkan pasaran antarabangsa. Kaedah kuantitatif telah diguna pakai melalui kaedah borang kaji selidik kepada firma-firma yang tersenarai di papan utama bursa Malaysia (BM) di mana 100 buah syarikat telah mengambil bahagian dalam kaji selidik ini. Analisis regresi dan analisis regresi multivarian hierarki (HMRA) telah diguna pakai untuk mengkaji hipotesis dan analisis regresi hierarki telah dijalankan untuk menganalisa peranan pengantaraan motivasi dan rangkaian serta peranan penyerdehanaan halangan di antara kelebihan pengantarabangsaan dan keamatan pengantarabangsaan. Hasil kajian ini mendapati bahawa terdapat satu hubungan di antara kelebihan pengantarabangsaan dan keamatan pengantarabangsaan firma ke luar negara. Di dalam kajian ini juga menunjukkan motivasi dan rangkaian boleh memberi kesan dalam proses pengantarabangsaan dan halangan pula boleh melengahkan proses tersebut. Kajian ini juga menunjukkan bahawa halangan menyederhanakan proses pengantarabangsaan firma-firma di Malaysia yang mewakili negara-negara membangun yang telah diabaikan oleh teori-teori pengantarabangsaan yang dibangunkan di negara-negara perindustrian.

Kata Kunci

Proses Pengantarabangsaan, Kelebihan Pengantarabangsaan, Keamatan Pengantarabangsaan, Motivasi, Rangkaian, Halangan

Acknowledgement

First and foremost, I would like to convey my greatest gratitude to ALLAH Almighty Who gave me the courage, health, and energy to accomplish my thesis in due time and without Whose help this study which required untiring efforts would have not been possible to complete within the time limits. Subhanallahi Walhamdullilah.

This thesis is a tribute to the numerous people who helped me throughout my Ph.D. experience. I remain deeply grateful to all of them. It was an honor and delight to work with Associate Professor Dr. Fariza Hashim. Through her devoted mentoring and unconditional support, Dr. Fariza inspired me to persist. Her genuine concern about my well-being was unmistakably evident. I thank her for timely feedback, valuable guidance and willingness to share her extensive expertise. I extend my thanks to Associate Professor Dr. Khulida Kirana Yahya whose insights on my thesis proposal were precious. The support of Dr. Norlida Manab went for beyond the call of duty. Every time I stepped in her office, I felt welcome. She listened, helped and shared a wealth of knowledge. Most of all, her solid faith in ALLAH Almighty was an inspiring lesson in loyalty and devotion. I thank her for her dedicated support.

Dr. Siti Zubaidah Othman and Dr. Faizuniah Pangil played invaluable roles in my experience at UUM. Their optimism and energy motivated me. Our discussions always challenged my thinking and invited me to get out of my comfort zone. I thank them for sharing their proficiency and conviction. I also would like to express my gratitude to Professor Osman Mohamad and Professor Mohammad Sulaiman for accepting to serve on the thesis examination committee; their insights helped me to improve my work. I thank Dr. Asmat Nizam, Dr. Faridahwati, Dr Sabariah Yaakub, Dr. Mohd Sobri Don, and Dr. Nik Abdul Halim at UUM for the thought-provoking discussions I had with them. Nor Fatimah was an amazing source of information about rules and regulations of the doctoral program and I thank her for her assistance. I cordially acknowledge Mas Juliana Mukhtaruddin and Nor Safinas Md Saad for the stimulating discussions we had. Also my personal friends Zarina Lal Khan, Mastura Aluwi, and Zabarina Ahamad have been an invaluable source of encouragement and information. The assistance of Shahril Rizal Khan in the data collection process is also gratefully recognized.

Last but not least, I extend my special thanks to my entire family. I believe words cannot do justice in conveying my deep appreciation to my family for their commitment to my endeavor. My heartfelt gratitude is extended to my father, Haji Ismail Ahmad, my mother, Hajjah Tunku Latupiah Tunku Ahmad for their unconditional love, and inspiration managed to constantly ease my worries. Furthermore, none of this would have been possible without my husband, Amir Nadeem, my son, Muhammad Zaeem and my

daughter, Eshmaal Erina who cope with me all those days, months and years. Without their love, support, patient and encouragement this would not have been possible. Their love and patient mean to me more than they know. My brothers, Mohamad Azam and Mohd Fairuz as well as my sister in-laws Marziana and Zamzarina who always provided boundless support. Without their love and faith in me, this experience would not have been possible. To each member of my family, I lovingly dedicate this thesis.

Jannatul Firdaus Ismail
February, 2012

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CHAPTER 1 INTRODUCTION

The purpose of this chapter is to provide some basic information regarding this study. This chapter starts the discussion by providing some background information surrounding the internationalization issue. Next, the problems that lead to the need for the present study are presented followed by the research questions, the research objectives, and the significance of the study. Finally, the definition of the study variables and the organization of the thesis are detailed out.

1.1 Background of the Study

Over the past few decades, business scholars and practitioners have consistently emphasized the increasing globalization and complexity of the international business environment, and have sought to address its implications from the perspective of firms in the international arena (Wyrwich & Tardino, 2006). The outcome has been an extensive body of research focusing on a number of complex phenomena associated with international business. These include foreign direct investment (FDI) flows, the internationalization processes of firms, and the strategies adopted by firms in international markets (Buckley et al., 2007). The dramatic increase in globalization in recent years has also raised some important issues related to the affective management of internationalized firms. Not surprisingly, the topic represents an important frontier in international business and strategic management research (Ghoshal & Bartlett, 1990; Melin, 1992).

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